

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of Southern California Water Company (U 133 E) for Authority to Increase Rates for Electric Service in the Bear Valley Electric Customer Service Area.

Application 01-08-020
(Filed August 30, 2001)

**ASSIGNED COMMISSIONER'S RULING
DETERMINING THE CATEGORY, NEED FOR HEARING,
SCOPE AND SCHEDULE OF THIS PROCEEDING**

Summary

This ruling sets forth the procedural schedule, assigns a principal hearing officer, and addresses the scope of the proceeding. This ruling follows a prehearing conference (PHC) held on October 1, 2001, pursuant to Rules 6(a) and 6.3 of the Commission's Rules of Practice and Procedure. (Rules)

Background

On August 17, 2001, Southern California Water Company (SCWC) filed the instant application, which was noticed in the Commission's Daily Calendar on August 21. In addition to the application, SCWC filed an Ex Parte Motion for an Order Adopting an Expedited Procedural Schedule, and a Motion for Interim Relief Subject to Refund. SCWC's application requests an increase of \$7,853,323 in annual revenues through the Purchase Power Adjustment Clause (PPAC) as a result of costs that will be incurred pursuant to two long-term power purchase contracts with Mirant Americas Energy Marketing, and Pinnacle West Capital Corporation. SCWC also requests a change in rate design to minimize the impact

of higher rates on its full time residential customers. SCWC indicates that immediate rate relief is necessary to avoid serious financial consequences for the company.

SCWC states that the expedited consideration of its application is a direct result of current purchased power costs which substantially exceed rates, and a growing undercollection in its PPAC balancing account. SCWC indicates this undercollection is \$16.8 million as of June 2001. SCWC states that its most recent requested energy cost offset was rejected by the Commission as an inappropriate means to seek adjustment for the substantial under collection in its PPAC. Additional prepared testimony addresses the need for an immediate rate increase, the prudence of the Mirant and Pinnacle West energy contracts, development of the requested revenue requirement, and a recommended rate design.

The Office of Ratepayer Advocates filed a protest to the application and the procedural motions on August 31. Bear Mountain Inc. filed an opposition to SCWC's *Ex Parte* Motion on August 30, and a Protest to the application on September 20. All of these filings are timely.

Presiding Officer

Administrative Law Judge (ALJ) Bruce DeBerry is designated as the principal hearing officer (Rule 5(k) and 6(c)(1)).

Category, Need for Hearing, and Scope of Proceeding

Pursuant to Rule 6(a)(3), I affirm the Commission's preliminary determination in ALJ-176-2987 that this is a "ratesetting" proceeding and that hearings are required.

The scope of this proceeding is to determine whether to grant SCWC's request to increase electric rates in the Bear Valley Electric Customer Service

Area. In addition, if a revenue requirement is adopted, this proceeding will determine any necessary rate design for that revenue requirement. A final Commission decision shall be scheduled for issuance during May, 2002, but in no event shall a final decision be issued any later than 18 months from the date that Application (A.) 01-08-020 was filed.

Proposed Schedule

ALJ DeBerry proposed a schedule for filing of testimony and evidentiary hearings, which the parties agreed to at the prehearing conference. I have added dates for opening and reply briefs resulting in the following adopted schedule:

Application Filed and Docketed	August 21, 2001
Protests Due	September 21, 2001
Prehearing Conference	October 1, 2001
Scoping Memo	October 8, 2001
Opening Testimony By Other Parties Due	November 30, 2001
Rebuttal Testimony Due	December 7, 2001
Evidentiary Hearings	December 14, 17, 18, 2001
Opening Briefs Due	January 18, 2002
Reply Briefs Due and Projected Submission	February 1, 2002

***Ex Parte* Communications and Reporting Requirements**

This ruling contains a final determination that hearings are required in this proceeding. Therefore, ex parte communications are permitted consistent with the restrictions set forth in Rule 7(c), and subject to the reporting requirements set forth in Rule 7.1.

Therefore, **IT IS RULED** that:

1. This is a ratesetting proceeding.
2. Absent settlement, this matter is expected to go to hearing.
3. The issues to be addressed are established in this Ruling.
4. The schedule will be as set forth in this Ruling.
5. The *Ex Parte* rules as set forth in Rule 7 of the Commission's Rules of Practice and Procedure apply to this proceeding.
6. The official service list as of this date is attached to this Ruling. Parties shall serve all filings on those on the then-current service list, including those identified as "State Service," but not including those identified as Information Only." The Commission will serve all rulings and orders on the entire list, including those listed as "Information Only."

Dated October 4, 2001, at San Francisco, California

/s/ GEOFFREY F. BROWN

Geoffrey F. Brown
Assigned Commissioner

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Assigned Commissioner's Ruling Determining the Category, Need for Hearing, Scope and Schedule of this Proceeding on all parties of record in this proceeding or their attorneys of record.

Dated October 4, 2001, at San Francisco, California.

/s/ MAUREEN S. LITTLE
Maureen S. Little

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.

